

HJ

4652

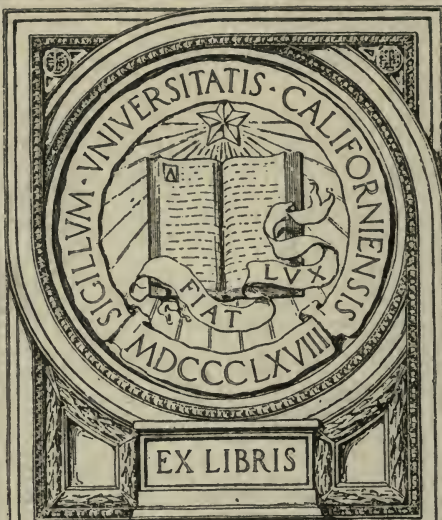
N3

UC-NRLF



5B 634 670

GIFT OF



EX LIBRIS

Gaylord Bros.
Makers
Syracuse, N. Y.
PAT. MAR. 21, 1908

Income Tax Record Book
and
Synopsis of the
Federal Income Tax Law

(Amended September 8, 1916)

AS AFFECTING INDIVIDUALS

The National City Company
National City Bank Building
New York



Digitized by the Internet Archive
in 2008 with funding from
Microsoft Corporation

Income Tax Record Book

COPYRIGHT, 1917, BY THE NATIONAL CITY COMPANY

Income Tax Record Book
and
Synopsis of the
Federal Income Tax Law
(Amended September 8, 1916)
As Affecting Individuals

The National City Company
National City Bank Building
New York

HJ 4652
N 3

A National Investment Organization

possessing the resources, management
and distributing facilities which make
it possible to offer the widest range of
attractive investment bonds which we
have purchased for our own account.

The National City Company

National City Bank Building
New York

Correspondent Offices

Philadelphia, Pa.
1421 Chestnut Street

Chicago, Ill.
137 So. La Salle Street

Boston, Mass.
55 Congress Street

San Francisco, Cal.
424 California Street

Pittsburgh, Pa.
Farmers Bank Building

Baltimore, Md.
Munsey Building

Cleveland, Ohio.
Guardian Building

Washington, D. C.
741 15th Street, N.W.

Detroit, Mich.
Dime Bank Building

Albany, N. Y.
Douw Building

Buffalo, N. Y.
Marine Bank Building

St. Louis, Mo.
Bank of Commerce Building

Kansas City, Mo.
Republic Building

Los Angeles, Cal.
Hibernian Building

London, England
3 Lombard Street

Wilkes-Barre, Pa.
Miners Bank Building

INDEX

Applies to Whom.....	9
Amount of Normal Tax.....	9
Amount of Additional or Surtax.....	9
Absence	16
Accrued Interest on Bonds.....	15
Bonds Exempt from the Tax.....	10
Bonds Not Exempt from the Tax.....	10
By Whom Tax Deducted from Interest on Bonds	11
Deducted from Interest on Bonds at the Source	10
Deducted from Foreign Coupons and Interests.....	11
Deductions Allowed	12
Executors	15
Fiduciaries	15
Foreign Bonds Not Exempt.....	11
Guardians	15
Husband and Wife, Exemption of.....	15
Head of Family.....	15
Income, Definition of.....	14
Income, Exempt from the Law	9
Illness	16
Municipal Bonds Exempt.....	10
Notes Not Exempt.....	10
Nonresidence	16
Nonresident Alien	9
Payable When	14
Partnerships	15
Public Utility Bonds Not Exempt.....	10
Railroad Bonds Not Exempt.....	10
Return—Form of	33
Who Must File.....	14
When Filed	14
Where Filed	14
When Time Extended for Filing.....	14
Where Forms Secured.....	16
Record of Bond Coupons.....	20-22
Record of Dividends.....	24
Stocks, When Dividends Exempt.....	10
Tax Payable When.....	14
Trustees	15
United States Government Bonds Exempt.....	10

Synopsis of the Federal Income Tax as Affecting Individuals

Applies to Whom

The Federal Income Tax applies to every individual, a citizen or resident of the United States, as to their income received from every source within and without the United States, and non-resident aliens as to their income received from sources within the United States.

Amount of Normal Income Tax

A tax of two per centum shall be levied upon the entire net income of citizens or residents of the United States received in the preceding calendar year from all sources, including interest on bonds, notes or other interest-bearing obligations of residents, corporate or otherwise.

A like tax of two per centum shall be levied upon the entire net income received in the preceding calendar year from all sources in the United States upon every individual, a non-resident alien, including interest on bonds, notes and other interest-bearing obligations of residents, corporate or otherwise.

Amount of the Additional or Surtax

A chart showing the additional or surtax on incomes from \$5,000 to \$3,000,000 and an explanation of same is given on pages 17, 18 and 19 of this book.

Income Exempt from the Law

The proceeds of life insurance policies paid to individual beneficiaries upon the death of the insured; the amount received by the insured, as a return of premium or premiums paid by him under life insurance, endowment, or annuity contracts, either during the terms or at the maturity of the term mentioned in the contract or upon the surrender of the contract; the value of property acquired by gift, bequest, devise or descent (but the income from such property shall be included as income), shall be exempt from the provisions of the law.

Bonds Exempt from the Tax

All bonds of the United States Government, any state or political subdivision thereof (which includes city bonds) or its possessions, or any securities issued under the provisions of the Federal Farm Loan Act of July 17, 1916, are exempt from the payment of the Income Tax.

Bonds Not Exempt from the Tax

All bonds of public utility, railroad and industrial corporations are subject to the normal tax of two per cent. All bonds of foreign governments and foreign cities are also subject to the normal tax of two per cent.

Notes Not Exempt

Notes of railroad, public utility and industrial corporations, like bonds of such corporations, are not exempt from the tax. However a promissory note not exceeding one year in time is not subject to the withholding of the tax at the source unless the amount of interest during the year exceeds \$3,000.

Stocks, When Dividends Exempt

"For the purpose of the normal income tax only the income embraced in a personal return shall be credited with the amount received as dividends upon the stock or from the net earnings of any corporation, joint stock company or association, trustee or insurance company, which is taxable upon its net income." In other words, dividends from stock of corporations doing business in the United States shall not be subject to the normal tax, but to the additional or surtax.

Deducted from Interest on Bonds at the Source

The amount of the normal tax shall be deducted and withheld from fixed or determinable annual or periodical gains, profits and income derived from interest on bonds and mortgages or deeds of trust or other similar obligations of corporations, joint stock companies, associations and insurance companies, whether payable annually or at shorter or longer periods, although such interest does not amount to \$3,000, subject to the provisions of the law, requiring the tax to be

withheld at the source and deducted from the annual income and returned and paid to the Government.

Deducted from Foreign Coupons and Interest

The normal tax shall be deducted and withheld from coupons, checks or bills of exchange for or in payment of interest upon bonds of foreign countries (including foreign cities) and upon foreign mortgages or like obligations (not payable in the United States) and also from coupons, checks or bills of exchange, for or in payment of any dividends upon the stock or interest upon the obligations of foreign corporations, associations and insurance companies engaged in business in foreign countries.

By Whom Tax Deducted from Interest on Bonds

On coupons and interest paid by corporations in the United States, the corporation is required to deduct the normal tax from the face of the coupon or interest. Where a corporation in the mortgage securing a bond or by other contract has agreed to pay the coupons or interest in full without deducting the normal tax, it is necessary for the corporation to pay the Government the normal tax in addition to paying the holder the full amount of the coupon or interest. However, the individual, when making his return, will show the normal tax paid at the source the same as he would if it had been deducted from the face of the coupon.

It is the practice of banks paying coupons and interest to deduct the normal tax of 2% from the face of all coupons, unless a certificate is attached by the owner or his agent claiming exemption, except U. S. Government and Municipal bonds, which are exempt under the law from the tax and consequently no certificate claiming exemption need be attached.

When, however, the corporation issuing the bond pays the normal tax and has so agreed with the bank paying the coupons or interest, to pay the amount of the normal tax, then it is the practice of the banks to pay the coupons in full, whether exemption is claimed or not.

On coupons, checks or bills of exchange for and in payment of interest upon bonds of foreign countries (including

foreign cities) and for mortgages or like obligations (not payable in the United States) or in payment of any dividends upon the stock or interest upon the obligations of foreign corporations engaged in business in foreign countries, the Income Law provides the tax in such cases shall be withheld, deducted and returned for and in behalf of any person subject to the tax by:

“(1) any banker or person who shall sell or otherwise realize coupons, checks, or bills of exchange drawn or made in payment of any such interest or dividends (not payable in the United States), and

(2) any person who shall obtain payment (not in the United States), in behalf of another of such dividends and interest by means of coupons, checks, or bills of exchange and also

(3) any dealer in such coupons who shall purchase the same for any such dividends or interest (not payable in the United States), otherwise than from a banker or another dealer in such coupons.”

All such deductions are considered under the law as having been made at the source.

Deductions Allowed

In computing the net income in the case of a citizen or resident of the United States, for the purpose of the tax, there shall be allowed as deductions:

“First. The necessary expenses actually paid in carrying on any business or trade, not including personal, living, or family expenses;

Second. All interest paid within the year on his indebtedness;

Third. Taxes paid within the year imposed by the authority of the United States, or its Territories, or possessions, or any foreign country, or under the authority of any State, county, school district, or municipality, or other taxing subdivision of any State, not including those assessed against local benefits;

Fourth. Losses actually sustained during the year, incurred in his business or trade, or arising from fires,

storms, shipwreck, or other casualty, and from theft, when such losses are not compensated for by insurance or otherwise: PROVIDED, That for the purpose of ascertaining the loss sustained from the sale or other disposition of property, real, personal or mixed, acquired before March first, nineteen hundred and thirteen, the fair market price or value of such property as of March first, nineteen hundred and thirteen, shall be the basis for determining the amount of such loss sustained;

Fifth. In transactions entered into for profit, but not connected with his business or trade, the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom;

Sixth. Debts due to the taxpayer actually ascertained to be worthless and charged off within the year;

Seventh. A reasonable allowance for the exhaustion, wear and tear of property arising out of its use or employment in the employment in the business or trade;

Eighth. (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof, which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: PROVIDED, That when the allowances authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March first, nineteen hundred and thirteen, the fair market value as of that date, no further allowance shall be made. No deduction shall be allowed for any amount paid out for new buildings, permanent improvements, or betterments, made to increase the value of any property or estate, and no deduction shall be made for any amount of expense of restoring property or making good the exhaustion thereof for which an allowance is or has been made."

Who Must File Return

Every citizen or resident of the United States having a net income of \$3,000 or more for the taxable year is required to file a return, although all or a part of said income may be exempt or the tax may have been deducted at the source.

When Return to be Filed

On or before the first day of March, 1917, and on the first day of March in each year thereafter.

Where to be Filed

The return shall be filed with the Collector of Internal Revenue for the district in which the person making the return has his residence or principal place of business, or, if there is no local residence or place of business in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland.

Extension of Time for Filing

The Commissioner of Internal Revenue has authority to grant a reasonable extension of time, in meritorious cases, for filing returns of income by persons residing or traveling abroad who are required to make and file returns of income and who are unable to file said returns on or before March first of each year.

When Tax Payable

All assessments shall be made by the Commissioner of Internal Revenue and all persons shall be notified of the amount for which they are respectively liable on or before the first day of June of each successive year, and said amounts shall be paid on or before the fifteenth day of June.

Income, Definition of

The net income of a taxable person shall include gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, business, trade, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest

in real or personal property, also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever: PROVIDED, That the term "dividends" as used in this title shall be held to mean any distribution made or ordered to be made by a corporation, joint-stock company, association or insurance company, out of its earnings or profits accrued since March first, nineteen hundred and thirteen, and payable to its shareholders, whether in cash or in stock of the corporation, joint-stock company, association, or insurance company, which stock dividend shall be considered income, to the amount of its cash value.

Partnerships

Persons engaged in business in a partnership are considered only in their individual capacity. The share of the profits of a partnership to which the partner would be entitled, if the same were divided, whether divided or not, is to be included in the return of such partner.

Fiduciaries

Guardians, executors, trustees and other fiduciaries are required to file a return of the income of estates or any kind of property held in trust by them.

Exemption of Husband and Wife, Guardians or Trustees

That for the purpose of the normal tax only there shall be allowed as an exemption in the nature of a deduction from the amount of the net income of each of said persons, ascertained as provided herein, the sum of \$3,000 plus \$1,000 additional if the person making the return be a head of a family or a married man with a wife living with him, or plus the sum of \$1,000 additional if the person making the return be a married woman with a husband living with her; but in no event shall this additional exemption of \$1,000 be deducted by both a husband and a wife: PROVIDED, That only one deduction of \$4,000 shall be made from the aggregate income of both husband and wife when living together: PROVIDED FURTHER, That guardians or trustees shall be

allowed to make this personal exemption as to income derived from the property of which such guardian or trustee has charge in favor of each ward or cestui que trust.

Absence, Illness, Nonresidence

In event of the absence, illness or the nonresidence of the individual, the return may be made by an agent, who is then responsible for the correctness of the return.

Accrued Interest on Bonds

Accrued interest received by the seller of a bond is income and the purchaser in his return need only include that part of the interest received by him since purchase.

Forms

All the necessary forms may be obtained at the office of the Collector of Internal Revenue of the various districts.

Explanation of Income Chart

The chart on the following pages illustrates graphically the rate and amount of tax to be collected under the new law as compared with the tax under the old law on incomes ranging from \$5,000 to \$3,000,000. In making the calculations in each instance \$4,000 has been deducted from the total income assumed and the tax payable is based on the amount remaining after making this deduction. This \$4,000 is the exemption allowed by law when the taxable person is a married man living with his wife, a married woman living with her husband, or a person the head of a family. If the taxable person is unmarried and not the head of a family the exemption is but \$3,000.

It will be observed that unless the taxpayer's net income exceeds \$20,000, in which event if married his taxable income is \$16,000, the tax is only 2%. If the income of \$20,000 is capitalized on a 5% basis the taxpayer's income-producing property will have a value of \$400,000. His income tax, however, will amount to only \$320 per annum. As most incomes are derived in part either from municipal bonds which are tax exempt, or from dividends, or tax free bonds of American corporations, some of which pay the normal tax, therefore the actual tax payable by the individual will usually be materially less than the amounts indicated in the calculations on following pages.

Typical Example

Net Income	\$100,000
Normal Tax (2% of \$96,000)	\$1,920
Surtax:	
1% on amount by which \$40,000 exceeds \$20,000 (1% on \$20,000)	200
2% on amount by which \$60,000 exceeds \$40,000 (2% on \$20,000)	400
3% on amount by which \$80,000 exceeds \$60,000 (3% on \$20,000)	600
4% on amount by which \$100,000 exceeds \$80,000 (4% on \$20,000)	800
Total	<u>\$3,920</u>

INCOME

Income	NORMAL TAX 2%	1%	2%	3%	4%	5%	6%	7%
	On excess of \$4,000	\$20,000 to \$40,000	\$40,000 to \$60,000	\$60,000 to \$80,000	\$80,000 to \$100,000	\$100,000 to \$150,000	\$150,000 to \$200,000	\$200,000 to \$250,000
\$5,000	\$20							
10,000	120							
15,000	220							
20,000	320							
25,000	420	\$50						
30,000	520	100						
35,000	620	150						
40,000	720	200						
45,000	820	200	\$100					
50,000	920	200	200					
55,000	1,020	200	300					
60,000	1,120	200	400					
65,000	1,220	200	400	\$150				
70,000	1,320	200	400	300				
75,000	1,420	200	400	450				
80,000	1,520	200	400	600				
85,000	1,620	200	400	600	\$200			
90,000	1,720	200	400	600	400			
95,000	1,820	200	400	600	600			
100,000	1,920	200	400	600	800			
110,000	2,120	200	400	600	800	\$500		
125,000	2,420	200	400	600	800	1,250		
135,000	2,620	200	400	600	800	1,750		
150,000	2,920	200	400	600	800	2,500		
175,000	3,420	200	400	600	800	2,500	\$1,500	
200,000	3,920	200	400	600	800	2,500	3,000	
225,000	4,420	200	400	600	800	2,500	3,000	\$1,000
250,000	4,920	200	400	600	800	2,500	3,000	1,000
275,000	5,420	200	400	600	800	2,500	3,000	1,000
300,000	5,920	200	400	600	800	2,500	3,000	1,000
350,000	6,920	200	400	600	800	2,500	3,000	1,000
400,000	7,920	200	400	600	800	2,500	3,000	1,000
450,000	8,920	200	400	600	800	2,500	3,000	1,000
500,000	9,920	200	400	600	800	2,500	3,000	1,000
550,000	10,920	200	400	600	800	2,500	3,000	1,000
600,000	11,920	200	400	600	800	2,500	3,000	1,000
650,000	12,920	200	400	600	800	2,500	3,000	1,000
700,000	13,920	200	400	600	800	2,500	3,000	1,000
750,000	14,920	200	400	600	800	2,500	3,000	1,000
800,000	15,920	200	400	600	800	2,500	3,000	1,000
850,000	16,920	200	400	600	800	2,500	3,000	1,000
900,000	17,920	200	400	600	800	2,500	3,000	1,000
950,000	18,920	200	400	600	800	2,500	3,000	1,000
1,000,000	19,920	200	400	600	800	2,500	3,000	1,000
1,250,000	24,920	200	400	600	800	2,500	3,000	1,000
1,500,000	29,920	200	400	600	800	2,500	3,000	1,000
1,750,000	34,920	200	400	600	800	2,500	3,000	1,000
2,000,000	39,920	200	400	600	800	2,500	3,000	1,000
2,250,000	44,920	200	400	600	800	2,500	3,000	1,000
2,500,000	49,920	200	400	600	800	2,500	3,000	1,000
2,750,000	54,920	200	400	600	800	2,500	3,000	1,000
3,000,000	59,920	200	400	600	800	2,500	3,000	1,000

TAX CHART

TAX							TOTAL TAX	
	8%	9%	10%	11%	12%	13%	Under new law	Under old law
	\$250,000 to \$300,000	\$300,000 to \$500,000	\$500,000 to \$1,000,000	\$1,000,000 to \$1,500,000	\$1,500,000 to \$2,000,000	Excess of \$2,000,000		
							\$20 120 220 320 470	\$10 60 110 160 260
							620 770 920 1,120 1,320	360 460 560 660 760
							1,520 1,720 1,970 2,220 2,470	910 1,060 1,210 1,360 1,510
							2,720 3,020 3,320 3,620 3,920	1,710 1,910 2,110 2,310 2,510
							4,620 5,670 6,370 7,420 9,420	3,010 3,760 4,260 5,010 6,260
	\$2,000 4,000						11,420 13,670 15,920 18,420 20,920	7,510 8,760 10,010 11,510 13,010
	4,000 4,000 4,000 4,000 4,000	\$4,500 9,000 13,500 18,000 18,000					26,420 31,920 37,420 42,920 48,920	16,010 19,010 22,010 25,010 28,510
	4,000 4,000 4,000 4,000 4,000	18,000 18,000 18,000 18,000 18,000	10,000 15,000 20,000 25,000 30,000				54,920 60,920 66,920 72,920 78,920	32,010 35,510 39,010 42,510 46,010
	4,000 4,000 4,000 4,000	18,000 18,000 18,000 18,000	35,000 40,000 45,000 50,000				84,920 90,920 96,920 102,920	49,510 53,010 56,510 60,010
	4,000 4,000 4,000 4,000	18,000 18,000 18,000 18,000	50,000 50,000 50,000 50,000	\$27,500 55,000 55,000 55,000			135,420 167,920 202,920 237,920	77,510 95,010 112,510 130,010
	4,000 4,000 4,000 4,000	18,000 18,000 18,000 18,000	50,000 50,000 50,000 50,000	55,000 55,000 55,000 55,000	60,000 60,000 60,000 60,000	\$32,500 65,000 97,500 130,000	275,420 312,920 350,420 387,920	147,510 165,010 182,510 200,010

Record of Bond Coupons

[illegible]

Record of Bond Coupons

[illegible]

Record of Dividends Received

[illegible]

Bonds Owned (exempt from Normal Income Tax)

[illegible]

List of All Holdings and

[illegible]

Memoranda

TO BE FILLED IN BY COLLECTOR.

Form 1040 (Revised October, 1916).

TO BE FILLED IN BY INTERNAL REVENUE BUREAU.

Assessment List 23-B _____
(Month.)

INCOME TAX.

File No. _____

Folio _____ Line _____

Audited by _____

THE PENALTY
FOR FAILURE TO HAVE THIS RETURN IN
THE HANDS OF THE COLLECTOR OF
INTERNAL REVENUE ON OR BEFORE
MARCH 1 IS \$20 TO \$1,000.
(SEE INSTRUCTIONS ON PAGE 4.)

IMPORTANT.
Read this form through carefully.
Fill in pages 2 and 3 before making
entries on first page. Write legibly,
using typewriter if possible.

Above space to be stamped by Collector,
showing district and date received.

UNITED STATES INTERNAL REVENUE.

RETURN OF ANNUAL NET INCOME OF INDIVIDUALS.

(As provided by Act of Congress approved September 8, 1916.)

FOR YEAR 1916.

Filed by (or for) _____, of _____
(Street and number.)

(Post-office address.) _____ (State.) _____

	Millions	Thousands	Hundreds	Cents
1. GROSS INCOME (brought from line 31) _____	\$			
2. GENERAL DEDUCTIONS (brought from line 40) _____	\$			
3. NET INCOME _____	\$			

Dividends and personal exemption to be deducted in computing income subject to normal tax.

	Millions	Thousands	Hundreds	Cents
4. Dividends brought from line 30 _____	\$			
5. Personal exemption (single, \$3,000; married or head of family, \$4,000) _____	\$			
6. Total dividends and personal exemption (Items 4 and 5) _____	\$			
7. AMOUNT OF INCOME subject to normal tax _____	\$			
8. AMOUNT OF NORMAL TAX at rate of 2 per cent on income shown on line 7 _____	\$			
9. CREDIT by amount of normal tax paid or to be paid at source (1 per cent of amount of income shown on line 25, Column A) _____	\$			
10. BALANCE of normal tax due _____	\$			

NOTE.—When the net income shown above on line 3 exceeds \$20,000 the additional tax thereon must be calculated as per schedule below.

	Income.				Tax.			
	Millions	Thousands	Hundreds	Cents	Millions	Thousands	Hundreds	Cents
One per cent on amount over \$20,000 and not exceeding \$40,000 _____	\$				\$			
Two per cent on amount over \$40,000 and not exceeding \$60,000 _____	\$				\$			
Three per cent on amount over \$60,000 and not exceeding \$80,000 _____	\$				\$			
Four per cent on amount over \$80,000 and not exceeding \$100,000 _____	\$				\$			
Five per cent on amount over \$100,000 and not exceeding \$150,000 _____	\$				\$			
Six per cent on amount over \$150,000 and not exceeding \$200,000 _____	\$				\$			
Seven per cent on amount over \$200,000 and not exceeding \$250,000 _____	\$				\$			
Eight per cent on amount over \$250,000 and not exceeding \$300,000 _____	\$				\$			
Nine per cent on amount over \$300,000 and not exceeding \$500,000 _____	\$				\$			
Ten per cent on amount over \$500,000 and not exceeding \$1,000,000 _____	\$				\$			
Eleven per cent on amount over \$1,000,000 and not exceeding \$1,500,000 _____	\$				\$			
Twelve per cent on amount over \$1,500,000 and not exceeding \$2,000,000 _____	\$				\$			
Thirteen per cent on amount over \$2,000,000 _____	\$				\$			
11. Total additional tax _____					\$			
12. Balance of normal tax due, as shown on line 10 _____					\$			
13. TOTAL TAX DUE _____					\$			

GROSS INCOME.

This statement must show in the proper spaces the ENTIRE AMOUNT of gains, profits, and income from all sources received during the year specified on page 1, EXCEPT interest received from the obligations of the United States or any of its possessions, or of any State or political subdivision thereof, including district drainage bonds; from securities issued under the provisions of the Federal Farm Loan Act of July 17, 1916; and amounts paid by a State or any political subdivision thereof for services rendered as an officer or employee.

DESCRIPTION OF INCOME.	A.				B.			
	Income on which the tax has been paid or is to be paid at the source, at the rate of 1 per cent. (See Note 2.)				Income on which the tax has NOT been paid or is not to be paid at the source. (See Note 2.)			
	Millions	Thousands	Hundreds	Cents	Millions	Thousands	Hundreds	Cents
TOTAL AMOUNT DERIVED FROM—								
14. Salaries, wages, and commissions	\$.				\$.			
Wife's income								
15. Professions and vocations								
Wife's income								
16. Business, trade, commerce, or sales, or dealings in property, whether real or personal								
Wife's income								
17. Rents								
Wife's income								
18. Interest on notes, mortgages, bank deposits, and from all other sources other than reported on lines 19 and 22								
Wife's income								
19. Interest on bonds, mortgages, or deeds of trust, or other similar obligations of domestic corporations, joint-stock companies or associations, and insurance companies								
Wife's income								
20. Fiduciaries* (excepting dividends from domestic corporations, which must be entered on line 23 below)								
Wife's income								
21. Partnership gains and profits, whether distributed or not (excepting dividends from domestic corporations, which must be entered on line 28 below). (Net gains or profits must be reported here and in Column B only)								
Wife's income								
NOTE.—Give name and full address of partnership of which you are a member.								
22. Interest upon bonds, etc., issued in foreign countries, and dividends upon the stock of foreign corporations, etc., engaged in business in foreign countries								
Wife's income								
23. Royalties from mines, oil wells, patents, franchises, or other legalized privileges								
Wife's income								
24. Other sources not enumerated above								
Wife's income								
NOTE.—State here sources from which income entered on line 24 is received and amount received from each.								
25. TOTALS (NOTE.—Enter 1 per cent of total amount of Column A on line 9)	\$.				\$.			
26. AGGREGATE TOTALS OF COLUMNS A AND B					\$.			
27. Dividends on stock of corporations, etc., subject to like tax	\$.							
Wife's income								
28. Dividends received through partnership. (See line 21)								
Wife's income								
29. Dividends received through fiduciaries. (See line 20)								
Wife's income								
30. TOTAL DIVIDENDS. (Lines 27, 28, and 29.) (Enter on line 4)					\$.			
31. TOTAL GROSS INCOME (to be entered on line 1)	\$.				\$.			

* There should be included under this item all income received from guardians, trustees, executors, administrators, receivers, conservators, or other persons acting in a fiduciary capacity.

NOTE 1.—If income derived from sale of property acquired before March 1, 1913, is returned above, attach a statement showing (a) fair market price or value as of March 1, 1913, (b) price at which property was sold, and (c) how fair market price or value as of March 1, 1913, was determined.

NOTE 2.—Enter in column A only the income on which the normal tax has been or is to be paid at the source. Other income should be entered in column B. For example, A salary of \$10,000 is received and personal exemption of \$4,000 claimed. Enter in column A \$6,000 (the amount of income on which the normal tax was withheld) and in column B \$4,000 (the amount of salary on which no tax was withheld).

8-2-2771

GENERAL DEDUCTIONS.

NOTE.—Claims for deductions may not be allowed unless the information required below is clearly set forth.

	Millions	Thousands	Hundreds	Cents
32. The amount of necessary expenses actually paid within the calendar year for which the return is made, in carrying on any individual business. (There must not be included under this head personal, living, or family expenses, business expenses of partnerships, or cost of merchandise. Amounts paid for permanent improvement or betterment of property are not proper expense deductions).....	\$			
Wife's deduction				
33. All interest paid within the year on personal indebtedness of taxpayer.....				
Wife's deduction				
34. All national, foreign, State, county, school, and municipal taxes or taxes imposed by other taxing subdivisions of any State, paid within the year, not including those assessed against local benefits.....				
Wife's deduction				
35. Losses actually sustained during the year, incurred in my business or trade, or arising from fires, storms, shipwreck, or other casualty, and from theft, not compensated for by insurance or otherwise.....				
Wife's deduction				
NOTE.—State (a) of what the loss consisted, (b) when it was actually sustained, (c) how it was determined to be a loss, and (d) if sustained by sale of property acquired before March 1, 1913, the fair market price or value as of that date and how such value was determined.				
36. Losses sustained during the year in transactions entered into for profit but not connected with my business or trade. (No amount in excess of aggregate income from these sources is allowable).....				
Wife's deduction				
NOTE.—State total income during the year from such transactions. (\$.....). Give the same information called for in note under line 35.				
37. Debts past due which have been actually ascertained to be worthless and which have been charged off within the year.....				
Wife's deduction				
NOTE.—State (a) of what the debts consisted, (b) when they were created, (c) when they became due, (d) how they were actually determined to be worthless, and (e) whether included as income in this or previous return.				
38. Amount representing a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in business or trade. (No deduction is allowable for any amount of expense of restoring property or making good the exhaustion thereof for which an allowance is made in this return, or for depreciation of residential property not maintained for rental. In the case of buildings depreciation is to be computed exclusive of cost of land).....				
Wife's deduction				
NOTE.—State (a) the kind of property on which depreciation is taken (if buildings, state when erected and of what material constructed), (b) cost of same, and (c) what percentage of depreciation is claimed.				
39. Amount representing a reasonable allowance for depletion (a) in the case of oil and gas wells for actual reduction in flow and production, and (b) in the case of mines not exceeding the market value in the mine of the product mined and sold during the year for which return is made.....				
Wife's deduction				
NOTE.—The depletion allowable shall be at a rate which during the estimated life of the property being depleted will return: The cost of the property, if acquired after March 1, 1913, or The fair market value as of March 1, 1913, if acquired before that date. State (a) the cost of property if purchased after March 1, 1913, (b) the fair market value as of March 1, 1913, if purchased prior to that date, (c) how such value was determined, and (d) the basis upon which the amount of depletion claimed is computed.				
40. TOTAL "GENERAL DEDUCTIONS" (to be entered on line 2).....	\$			

NOTE.—If space is insufficient for answering any question, attach a supplemental sheet to this return.

9-271

COMPLETE ANSWERS SHOULD BE GIVEN TO THE FOLLOWING QUESTIONS.

If you rendered return for preceding year, state district in which filed _____

If your husband or wife made separate return for this year, state district in which filed _____

Were you the head of family, single, or married with wife or husband living with you on December 31 of the year for which this return is rendered?.....

If married, give full name of wife or husband.....

If head of family, give relationship of those dependent upon you.....

Has your wife or husband income from sources independent of your own?..... If so, has same been included in this return?.....

State your profession, vocation, or principal business from which your income is derived.....

AFFIDAVIT TO BE EXECUTED BY INDIVIDUAL MAKING HIS OWN RETURN.

I swear (or affirm) that the foregoing return, to the best of my knowledge and belief, contains a true and complete statement of all taxable gains, profits, and income received by me during the year for which the return is made, and that I am entitled to all the deductions and exemptions entered or claimed therein under the Federal Income Tax Law of September 8, 1916.

(Signature of individual.)

Sworn to and subscribed before me this..... day of..... 191

[SEAL]

(Official capacity.)

AFFIDAVIT TO BE EXECUTED BY DULY AUTHORIZED AGENT MAKING RETURN FOR INDIVIDUAL.

I swear (or affirm) that I have sufficient knowledge of the affairs and property of..... to enable me to make a full and complete return of his taxable income and that the foregoing return, to the best of my knowledge and belief, contains a true and complete statement of all the taxable gains, profits, and income received by said individual during the year for which the return is made, and that the said individual is entitled under the Federal Income Tax Law of September 8, 1916, to all the deductions and exemptions entered or claimed therein, and that I am authorized to make this return for the following reasons:

(Signature of agent.)

(Post-office address of agent.)

Sworn to and subscribed before me this..... day of..... 191

[SEAL]

(Official capacity.)

INSTRUCTIONS.

1. This return shall be made by every citizen of the United States, whether residing at home or abroad, and by every person residing in the United States, though not a citizen thereof, having a net income of \$3,000 or over, including dividends, for the taxable year, although the tax has been paid at the source and the return shows no tax liability.

2. This return shall be made by every nonresident alien receiving any net income from sources in the United States. A non-resident alien individual may receive the benefit of the personal exemption only by filing or causing to be filed with the Collector of Internal Revenue a true and accurate return of his total income, received from all sources, corporate or otherwise, in the United States.

3. When an individual by reason of minority, sickness, or other disability, or absence from the United States, is unable to make his own return, it may be made for him by his duly authorized representative.

4. This return should be filed with the Collector of Internal Revenue for the district in which the individual resides. In case the person resides in a foreign country, then with the Collector for the district in which his principal business is carried on in the United States, and if there be no such place in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland.

5. When the return is not filed within the required time by reason of sickness or absence of the individual, an extension of time, not exceeding 30 days from March 1, within which to file such return may be granted by the Collector, provided, a written application therefor is made by the individual within the period for which such extension is desired.

6. An unmarried individual or married individual not living with husband or wife shall be allowed an exemption of \$3,000. When husband and wife live together they shall be allowed jointly a total exemption of only \$4,000 on their aggregate income. The head of a family shall be allowed an exemption of \$4,000. Guardians or trustees shall be allowed an exemption of \$3,000 in favor of each ward, but in no event shall a ward be allowed a greater personal exemption than \$3,000 or, if married, \$4,000, from the amount of net income received from all sources. There shall be allowed an exemption of \$3,000 from the amount of the net income of estates of deceased persons during the period of administration or settlement, and of trusts or other estates the income of which is not distributed annually.

7. Amounts charged on line 32 for restoring property or making good the exhaustion thereof from its use in business, together with the amount claimed for depreciation on line 38, must not exceed the deterioration of the property in one year.

9-2771

THIS BOOK IS DUE ON THE LAST DATE
STAMPED BELOW

AN INITIAL FINE OF 25 CENTS
WILL BE ASSESSED FOR FAILURE TO RETURN
THIS BOOK ON THE DATE DUE. THE PENALTY
WILL INCREASE TO 50 CENTS ON THE FOURTH
DAY AND TO \$1.00 ON THE SEVENTH DAY
OVERDUE.

JUL 25 1947

50a 5879

REC'D LD

FEB 19 1958

LD 21-100m-12,'43 (8796s)

349476

HJ4652

N3

UNIVERSITY OF CALIFORNIA LIBRARY

